Supplement to

MASTER LICENSE AND SERVICES AGREEMENT
(Term Ending June 30, 2026)

American Reading Company having its principal offices at *480 Norristown Rd Blue Bell, PA 19422*, and Board of Cooperative Educational Services for the First Supervisory District, Erie County having its principal offices at 355 Harlem Road, West Seneca, NY 14224 ("Erie 1 BOCES"), have entered into a Master License and Services Agreement, the term of which ends June 30, 2026 (the "Agreement"). By this Supplement, *American Reading Company* and Erie 1 BOCES wish to provide for the potential purchase of *SchoolPace®/eLibraries/SchoolPace Connect®/eBundles* licenses and services by other Board of Cooperative Educational Services (BOCES) in the State of New York (intermediate units of the NYS Education Department) on the same terms and conditions.

American Reading Company agrees to honor the pricing in Exhibit A only for the BOCES that adopt the contract at their Boards of Education. If a RIC or BOCES has not adopted the resolution *American Reading Company* may not extend the same or lesser pricing than has been set forth in Exhibit A. Lower prices will not be offered to school districts/BOCES/RICs in NY state. Vendors may utilize national promotions or sales within the state of New York and those prices would be extended through the contract after the approval of Michelle Okal-Frink or her designee. Special pricing for specific BOCES or RICs is not allowable under this contract. In order to streamline procurement, Vendors will maintain a single statewide agreement. This means the same products would not be found on other state wide consortium agreements including 6360 Instructional Technology Consortium, 7710 RIC Consortium, 5877 Distance Learning Consortium, or 6316 DREAM.

Erie 1 BOCES and *American Reading Company* hereby agree:

1. From time to time during the term of the Agreement, another BOCES in New York State (an "Other BOCES") may adopt a Board of Education resolution that permits Erie 1 BOCES to represent the Other BOCES' interests and to enter into the Agreement on behalf of the Other BOCES.

2. The Other BOCES shall purchase under the Agreement by issuing an Addendum in the form of a Board resolution, appropriately amended to reflect that the Other BOCES is the purchaser. By issuing that Addendum, the Other BOCES will agree to be bound by all of the terms of the Agreement with respect to its purchase thereunder.

IN WITNESS WHEREOF, the parties have signed this Supplement to Agreement.

Erie 1 Board of Cooperative Educational Services   *American Reading Company*

By: _James Fregelette_ (DocuSigned by)
9AEB95ED72B74AB...
Authorized Signature

By: _[signature]_ (DocuSigned by)
6989E813F1F14C9...
Authorized Signature

Name: James Fregelette

Title: Executive Director

Address: 355 Harlem Rd

West Seneca, NY 14224

Name: Nathan Smith

Title: CTO

Address: 480 Norristown Road, Blue Bell, PA 19422

Date: 5/8/2023

EXHIBIT D

DATA SHARING AND CONFIDENTIALITY AGREEMENT

INCLUDING
PARENTS BILL OF RIGHTS FOR DATA SECURITY AND PRIVACY
AND
SUPPLEMENTAL INFORMATION ABOUT THE MLSA

1. **Purpose**

   (a) This Exhibit supplements the Master License and Service Agreement ("MLSA") to which it is attached, to ensure that the MLSA conforms to the requirements of New York State Education Law Section 2-d and any implementing Regulations of the Commissioner of Education (collectively referred to as "Section 2-d"). This Exhibit consists of the terms of this Data Sharing and Confidentiality Agreement, a copy of Erie 1 BOCES' Parents Bill of Rights for Data Security and Privacy signed by the Vendor, and the Supplemental Information about the MLSA that is required to be posted on Erie 1 BOCES' website.

   (b) To the extent that any terms contained within the MLSA, or any terms contained within any other Exhibits attached to and made a part of the MLSA, conflict with the terms of this Exhibit, the terms of this Exhibit will apply and be given effect. In the event that Vendor has online or written Terms of Service ("TOS") that would otherwise be applicable to its customers or users of its Product that is the subject of the MLSA, to the extent that any term of the TOS conflicts with the terms of this Exhibit, the terms of this Exhibit will apply and be given effect.

2. **Definitions**

   Any capitalized term used within this Exhibit that is also found in the MLSA will have the same definition as contained within the MLSA.

   In addition, as used in this Exhibit:

   (a) "Student Data" means personally identifiable information, as defined in Section 2-d, from student records that Vendor receives from a Participating Educational Agency pursuant to the MLSA.

   (b) "Teacher or Principal Data" means personally identifiable information relating to the annual professional performance reviews of classroom teachers or principals that is confidential and not subject to release under the provisions of New York Education Law Sections 3012-c or 3012-d, that Vendor receives from a Participating Educational Agency pursuant to the MLSA.

   (c) "Protected Data" means Student Data and/or Teacher or Principal Data to the extent applicable to Vendor's Product.

(d) "Participating Educational Agency" means a school district within New York State that purchases certain shared instructional technology services and software through a Cooperative Educational Services Agreement with a BOCES, and as a result is licensed to use Vendor's Product pursuant to the terms of the MLSA. For purposes of this Exhibit, the term also includes Erie 1 BOCES or another BOCES that is licensed to use Vendor's Product pursuant to the MLSA to support its own educational programs or operations.

3. **Confidentiality of Protected Data**

(a) Vendor acknowledges that the Protected Data it receives pursuant to the MLSA may originate from several Participating Educational Agencies located across New York State, and that this Protected Data belongs to and is owned by the Participating Educational Agency from which it originates.

(b) Vendor will maintain the confidentiality of the Protected Data it receives in accordance with federal and state law (including but not limited to Section 2-d) and Erie 1 BOCES's policy on data security and privacy. Vendor acknowledges that Erie 1 BOCES is obligated under Section 2-d to adopt a policy on data security and privacy. Erie 1 BOCES will provide Vendor with a copy of its policy. Vendor and Erie 1 BOCES agree to engage in good faith negotiations to modify this Data Sharing Agreement to the extent necessary to ensure Vendor's continued compliance with Section 2-d.

4. **Data Security and Privacy Plan**

Vendor agrees that it will protect the confidentiality, privacy and security of the Protected Data received from Participating Educational Agencies in accordance with Erie 1 BOCES' Parents Bill of Rights for Data Privacy and Security, a copy of which has been signed by the Vendor and is set forth below.

Additional elements of Vendor's Data Security and Privacy Plan are as follows:

(a) In order to implement all state, federal, and local data security and privacy requirements, including those contained within this Data Sharing and Confidentiality Agreement, consistent with Erie 1 BOCES' data security and privacy policy, Vendor will: Review its data security and privacy policy and practices to ensure that they are in conformance with all applicable federal, state, and local laws and the terms of this Data Sharing and Confidentiality Agreement. In the event Vendor's policy and practices are not in conformance, the Vendor will implement commercially reasonable efforts to ensure such compliance.

In order to protect the security, confidentiality and integrity of the Protected Data that it receives under the MLSA, Vendor will have the following reasonable administrative, technical, operational and physical safeguards and practices in place throughout the term of the MLSA:

ARC digital products adhere to the following security and disaster recovery practices:

- All web-based services and RESTful API calls use TLS 1.2 security.
- All personally identifiable information stored in MySQL is encrypted at rest using InnoDB tablespace encryption.
- ARC digital products offer access for teachers, school administrators, and district administrators as identified by the district. Users in each of those security groups have access to only those student records in their scope of responsibility.
- For districts using Clever Instant Login or Classlink OneClick Single Sign-On, the district maintains real-time control of all user credentials. For districts not using one of our supported single sign-on solutions, districts may assign usernames and passwords up to 128 characters. All passwords are stored using BCrypt encryption.
- The TrueNet data center includes biometric door locks coupled with NFC cards. All server cabinets are locked.
- Servers at the TrueNet data center have dual power supplies connected to separate power circuits with battery backup.
- All data at the TrueNet data center is stored on striped and mirrored hard drives for redundancy.
- All digital product data is replicated to multiple database servers behind our firewalls.
- All data is backed up daily using Dell RapidRecovery, encrypted, and transferred securely to ARC's headquarters.
- All employees who might require access to secure data are provided with training in safe-handling procedures.

Cloud Hosting
ARC digital products are hosted on the Microsoft Azure cloud platform. Through the use of encryption and restricted access to physical devices, Microsoft does not have access to district data in any form at any time.

- One Microsoft Way, Redmond, WA, 98052
- (800) 426-9400
- Security Information for the Microsoft Azure platform, including attestations for NIST, SOC2, and other compliance offerings, can be found here: https://learn.microsoft.com/en-us/azure/compliance/offerings/

Privacy
- Data stored in ARC digital products remains the property of the district and is protected by several policies to ensure privacy.
- American Reading Company does not share district data with any third parties unless requested by district administration.

- **FERPA Compliance**: American Reading Company's software products meet the requirements of FERPA. Acting as a school official with legitimate educational interests, American Reading Company receives basic directory information from the district in order to populate ARC digital products with student rosters. To facilitate information review by parents, legal guardians, and eligible pupils, ARC digital products include several printable reports, including the Student History Report and Status of the Class, that may be printed by district staff. If erroneous information is found in student records, parents, legal guardians, and eligible pupils may contact the district to request a modification of the erroneous records. For districts using an automated rostering solution, the incorrect student records will need to be modified in the root SIS system. Changes will be synchronized to American Reading Company's software platform within 24 hours. For districts not using an automated rostering solution, district personnel may make corrections to student records directly in American Reading Company's software platforms.
- **COPPA Compliance**: American Reading Company's software products meet the requirements of COPPA. All of American Reading Company's software products are marketed and sold to schools and districts, not directly to students. No personal data is collected from students, and students are never prompted to enter any personal information. Any rostering and demographic data used to populate class lists and other constructs is entered by authorized district or school personnel.
- **CIPA Compliance**: American Reading Company's software products meet the requirements of CIPA. At the time of this writing, American Reading Company offers three software products, SchoolPace Connect, ARC Bookshelf and ARC Adventures, that are used directly by students. These products do not offer open or unfiltered access to Internet resources. Rather, they are curated collections of curricular resources, digital books, and foundational skills practice activities, respectively. This content has been vetted for age appropriateness.
- **GDPR Compliance**: American Reading Company's software products meet the "Lawfulness of Processing" requirement of the General Data Protection Regulation (GDPR) based on Chapter 2, Article 6, Section 1.b.: "*processing is necessary for the performance of a contract to which the data subject is party or in order to take steps at the request of the data subject prior to entering into a contract;*" https://gdpr.eu/article-6-how-to-process-personal-data-legally/ In addition, American Reading Company's cloud provider, Microsoft Azure, fully complies with GDPR, as described in the following document: https://docs.microsoft.com/en-us/legal/gdpr
- All American Reading Company employees who are granted access to student data are trained in the safe handling of student records. Among other provisions, employees are trained to never send or request student information via email or other insecure messaging solutions, never share access, and never store exported student records on laptops, desktops, or mobile devices at any time.

Handling of Breaches, Data Privacy Incidents, and Security Incidents

- **Cyber Security Insurance**: American Reading Company is protected by a cyber security policy provided by CNA. The individual event and aggregate coverage limits for this policy are both $5,000,000.
- **Audit Logs**: ARC digital products collect a variety of audit logs of user activity. Logs are retained until the end of the agreement term with each customer. These logs include, but are not limited to, the following activities:
  - For every user log in, the user identifier, IP address, and timestamp are recorded.
  - Each insert, update, and deletion of data is logged with a user identifier and timestamp.
  - The viewing of documents, digital books, and videos is logged with a user identifier and timestamp.
  - The exporting of artifacts including PDF files, CSV files, and Excel files is logged with a user identifier and timestamp.
- **Error Logs and Access Logs**: All system logs, including error logs and server access logs, are captured, and aggregated on a third-party log aggregator, NewRelic.
- **Intrusion Detection and Prevention**: ARC digital products are hosted behind redundant SonicWall network security appliances. These appliances apply the following intrusion detection and prevention safeguards:
  - Firewall with Deep Packet Inspection (DPI)
  - SonicWall Intrusion Prevention Service (IPS)
- **Notification**: Upon detection of a data breach, American Reading Company will send an email and place a phone call to the designated security contact for the affected school district within 24 hours. If no security contact is specified, American Reading Company will notify the district's IT department. Notifications will include:
  - The nature of the breach.
  - The number of PII records affected.
  - A description of how the breach was identified.

Data Sharing

American Reading Company receives basic directory information from the district to populate our digital products with student rosters. This rostering data is used to create schools, classrooms, and student records in our databases. This basic rostering data is necessary to allow teachers and administrators to collect reading performance data, view reports based on this data, and provide access to appropriate resources and content. The following data is collected:

Students		Teachers and Administrators	
• Student Identification Number • Prefix * • First Name • Middle Name * • Last Name • Suffix *	• Gender * • Ethnicity * • Date of Birth * • Grade • Classroom Assignments	• Prefix * • First Name • Middle Name * • Last Name • Suffix *	• Email Address • Security Level (Teacher, School Administrator, District Administrator) • Classroom Assignments

Items marked with an asterisk ( ) are optional.*

ARC is committed to using data to improve student outcomes. To this end, ARC will report aggregate, anonymized data as part of research and evaluation efforts, and other efforts related to improving the implementation of ARC products and services. ARC will report aggregate, anonymized data to enable districts to examine how student performance in their district compares with other districts. ARC may report aggregate system-wide, district-level, subgroup-level, grade-level, and school-level data. No district, school, teacher, or student will ever be named. For example, ARC may report that the average IRLA reading level for all 3rd graders, system-wide, is 2.79.

Other Data Sharing Agreements

When ARC and a district agree to use SchoolPace data and/or other district data for research purposes, a separate data sharing agreement is put into place. The research DSA documents the terms under which the District will share data from students' education records, including personally identifiable information (PII), with ARC in a manner consistent with FERPA and its implementing regulations, and district privacy policies.

(b) Vendor will comply with all obligations set forth in Erie 1 BOCES' "Supplemental Information about the MLSA" below.

(c) For any of its officers or employees (or officers or employees of any of its subcontractors or assignees) who have access to Protected Data, Vendor has provided or will provide training on the federal and state laws governing confidentiality of such data prior to their receiving access, as follows: Annually, Vendor will require that all of its employees (or officers or employees of any of its subcontractors or assignees) undergo data security and privacy training to ensure that these individuals are aware of and familiar with all applicable data security and privacy laws.

(d) Vendor [*check one*] _____will _X____will not utilize sub-contractors for the purpose of fulfilling one or more of its obligations under the MLSA. In the event that Vendor engages any subcontractors, assignees, or other authorized agents to perform its obligations under the MLSA, it will require such subcontractors, assignees, or other authorized agents to execute written agreements as more fully described in Erie 1 BOCES' "Supplemental Information about the MLSA," below.

(e) Vendor will manage data security and privacy incidents that implicate Protected Data, including identifying breaches and unauthorized disclosures, and Vendor will provide prompt notification of any breaches or unauthorized disclosures of Protected Data in accordance with Section 6 of this Data Sharing and Confidentiality Agreement.

(f) Vendor will implement procedures for the return, transition, deletion and/or destruction of Protected Data at such time that the MLSA is terminated or expires, as more fully described in Erie 1 BOCES' "Supplemental Information about the MLSA," below.

5.   **Additional Statutory and Regulatory Obligations**

Vendor acknowledges that it has the following additional obligations with respect to any Protected Data received from Participating Educational Agencies, and that any failure to fulfill one or more of these statutory or regulatory obligations shall be a breach of the MLSA and the terms of this Data Sharing and Confidentiality Agreement:

(a) Limit internal access to education records to those individuals that are determined to have legitimate educational interests within the meaning of Section 2-d and the Family Educational Rights and Privacy Act (FERPA).

(b) Limit internal access to Protected Data to only those employees or subcontractors that need access in order to assist Vendor in fulfilling one or more of its obligations under the MLSA.

(c) Not use education records for any purposes other than those explicitly authorized in this Data Sharing and Confidentiality Agreement.

(d) Not disclose any personally identifiable information to any other party, except for authorized representatives of Vendor using the information to carry out Vendor's obligations under the MLSA, unless:

(i) the parent or eligible student has provided prior written consent; or
(ii) the disclosure is required by statute or court order and notice of the disclosure is provided to Participating Educational Agency no later than the time of disclosure, unless such notice is expressly prohibited by the statute or court order.

(e) Maintain reasonable administrative, technical, and physical safeguards to protect the security, confidentiality, and integrity of personally identifiable student information in its custody;

(f) Use encryption technology that complies with Section 2-d, as more fully set forth in Erie 1 BOCES' "Supplemental Information about the MLSA," below.

(g) Provide notification to Erie 1 BOCES (and Participating Educational Agencies, to the extent required by, and in accordance with, Section 6 of this Data Sharing and Confidentiality Agreement) of any breach of security resulting in an unauthorized release of Protected Data by Vendor or its assignees or subcontractors in violation of state or federal law or other obligations relating to data privacy and security contained herein.

(h) Promptly reimburse Erie 1 BOCES, another BOCES, or a Participating School District for the full cost of notification, in the event they are required under Section 2-d to notify affected parents, students, teachers or principals of a breach or unauthorized release of Protected Data attributed to Vendor or its subcontractors or assignees.

6.   **Notification of Breach and Unauthorized Release**

(a) Vendor shall promptly notify Erie 1 BOCES of any breach or unauthorized release of Protected Data in the most expedient way possible and without unreasonable delay, but no more than seven (7) calendar days after Vendor has discovered or been informed of the breach or unauthorized release.

(b) Vendor will provide such notification to Erie 1 BOCES by contacting Michelle Okal-Frink directly by email at mokal@e1b.org, or by calling (716) 821-7200 (office) or (716) 374-5460 (cell).

(c) Vendor will cooperate with Erie 1 BOCES and provide as much information as possible directly to Michelle Okal-Frink or her designee about the incident, including but not limited to: a description of the incident, the date of the incident, the date Vendor discovered or was informed of the incident, a description of the types of personally identifiable information involved, an estimate of the number of records affected, the Participating Educational Agencies affected, what the Vendor has done or plans to do to investigate the incident, stop the breach and mitigate any further unauthorized access or release of Protected Data, and contact information for Vendor representatives who can assist affected individuals that may have additional questions.

(d) Vendor acknowledges that upon initial notification from Vendor, Erie 1 BOCES, as the educational agency with which Vendor contracts, has an obligation under Section 2-d to in turn notify the Chief Privacy Officer in the New York State Education Department ("CPO"). Vendor shall not provide this notification to the CPO directly. In the event the CPO contacts Vendor directly or requests more information from Vendor regarding the incident after having been initially informed of the incident by Erie 1 BOCES, Vendor will promptly inform Michelle Okal-Frink or her designees.

(e) Vendor will consult directly with Michelle Okal-Frink or her designees prior to providing any further notice of the incident (written or otherwise) directly to any other BOCES or Regional Information Center, or any affected Participating Educational Agency.

PARENTS BILL OF RIGHTS FOR DATA PRIVACY AND SECURITY

Erie 1 BOCES is committed to protecting the privacy and security of student, teacher, and principal data. In accordance with New York Education Law § 2-d, the BOCES wishes to inform the community of the following:

(1) A student's personally identifiable information cannot be sold or released for any commercial purposes.

(2) Parents have the right to inspect and review the complete contents of their child's education record.

(3) State and federal laws protect the confidentiality of personally identifiable information, and safeguards associated with industry standards and best practices, including but not limited to, encryption, firewalls, and password protection, must be in place when data is stored or transferred.

(4) A complete list of all student data elements collected by the State is available for public review at **http://www.nysed.gov/data-privacy-security/student-data-inventory**, or by writing to the Office of Information & Reporting Services, New York State Education Department, Room 863 EBA, 89 Washington Avenue, Albany, New York 12234.

(5) Parents have the right to have complaints about possible breaches of student data addressed. Complaints should be directed in writing to the Chief Privacy Officer, New York State Education Department, 89 Washington Avenue, Albany, New York 12234. Complaints may also be submitted using the form available at the following website **http://www.nysed.gov/data-privacy-security/report-improper-disclosure**.

BY THE VENDOR:

DocuSigned by:

6989E813F1F14C9...

Signature

Nathan Smith

Printed Name

CTO

Title

5/8/2023

Date

SUPPLEMENTAL INFORMATION

ABOUT THE MASTER LICENSE AND SERVICE AGREEMENT
BETWEEN
ERIE 1 BOCES AND [*AMERICAN READING COMPANY*]

Erie 1 BOCES has entered into a Master License and Service Agreement ("MLSA") with [*American Reading Company*] which governs the availability to Participating Educational Agencies of the following Product(s):

[*SchoolPace®/eLibraries/SchoolPace Connect®/eBundles*]

Pursuant to the MLSA, Participating Educational Agencies may provide to Vendor, and Vendor will receive, personally identifiable information about students, or teachers and principals, that is protected by Section 2-d of the New York State Education Law ("Protected Data").

Exclusive Purpose for which Protected Data will be Used: The exclusive purpose for which Vendor is being provided access to Protected Data is to provide Participating Educational Agencies with the functionality of the Product(s) listed above. Vendor agrees that it will not use the Protected Data for any other purposes not explicitly authorized in the MLSA. Protected Data received by Vendor, or any of Vendor's subcontractors, assignees, or other authorized agents, will not be sold, or released or used for any commercial or marketing purposes.

Oversight of Subcontractors: In the event that Vendor engages subcontractors, assignees, or other authorized agents to perform one or more of its obligations under the MLSA (including any hosting service provider), it will require those to whom it discloses Protected Data to execute legally binding agreements acknowledging the obligation under Section 2-d of the New York State Education Law to comply with the same data security and privacy standards required of Vendor under the MLSA and applicable state and federal law. Vendor will ensure that such subcontractors, assignees, or other authorized agents abide by the provisions of these agreements by: *NA/ARC does not use subcontractors*]

Duration of MLSA and Protected Data Upon Expiration:

- The MLSA commences on July 1, 2023 and expires on June 30, 2026.
- Upon expiration of the MLSA without renewal, or upon termination of the MLSA prior to expiration, Vendor will securely delete or otherwise destroy any and all Protected Data remaining in the possession of Vendor or its assignees or subcontractors or other authorized persons or entities to whom it has disclosed Protected Data. If requested by Erie 1 BOCES and/or any Participating Educational Agency, Vendor will assist a Participating Educational Agency in exporting all Protected Data previously received back to the Participating Educational Agency for its own use, prior to deletion, in such formats as may be requested by the Participating Educational Agency.

- In the event the Master Agreement is assigned to a successor Vendor (to the extent authorized by the Master Agreement), the Vendor will cooperate with Erie 1 BOCES as necessary to transition Protected Data to the successor Vendor prior to deletion.
- Neither Vendor nor any of its subcontractors or other authorized persons or entities to whom it has disclosed Protected Data will retain any Protected Data, copies, summaries or extracts of the Protected Data, or any de-identified Protected Data, on any storage medium whatsoever. Upon request, Vendor and/or its subcontractors or other authorized persons or entities to whom it has disclosed Protected Data, as applicable, will provide Erie 1 BOCES with a certification from an appropriate officer that these requirements have been satisfied in full.

Challenging Accuracy of Protected Data: Parents or eligible students can challenge the accuracy of any Protected Data provided by a Participating Educational Agency to Vendor, by contacting the student's district of residence regarding procedures for requesting amendment of education records under the Family Educational Rights and Privacy Act (FERPA). Teachers or principals may be able to challenge the accuracy of APPR data provided to Vendor by following the appeal process in their employing school district's applicable APPR Plan.

Data Storage and Security Protections: Any Protected Data Vendor receives will be stored on systems maintained by Vendor, or by a subcontractor under the direct control of Vendor, in a secure data center facility located within the United States. The measures that Vendor will take to protect Protected Data include adoption of technologies, safeguards and practices that align with the NIST Cybersecurity Framework and industry best practices including, but not necessarily limited to, disk encryption, file encryption, firewalls, and password protection.

Encryption of Protected Data: Vendor (or, if applicable, its subcontractors) will protect Protected Data in its custody from unauthorized disclosure while in motion or at rest, using a technology or methodology specified by the secretary of the U.S. Department of HHS in guidance issued under Section 13402(H)(2) of P.L. 111-5.